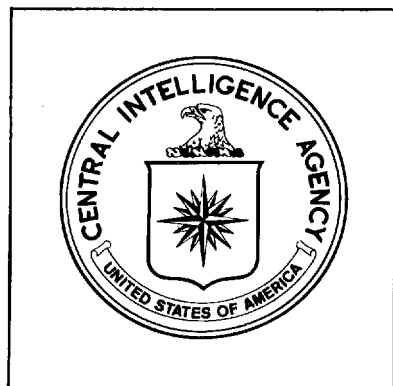


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The USSR

REGIONAL AND POLITICAL ANALYSIS

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Approved For Release 2004/07/16 : CIA-RDP79T00912A000100010027-9

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USSR: The Institute of Systems Research

The Soviet economic planning mechanism, highly centralized and bureaucratic, has been accused of inflexibility in the face of changing economic conditions and priorities. For over two decades, however, Dzherman Gvishiani, the director of the newly created Institute of Systems Research, and the men who are now his deputies have been proponents of importing Western scientific technology and advanced management techniques to improve Soviet economic conditions. Gvishiani may try to use his institute as a vehicle for the introduction of innovative management and economic reforms into the Soviet planning system. Gvishiani should be able to expect support from his farther-in-law, Premier Aleksey Kosygin, who has himself in the past advocated economic reform.

Founded in June 1976 and subordinate to the State Committee for Science and Technology, the Institute of Systems Research is still in its formative stages and only recently moved from temporary quarters to its present address of 14/2 Ulitsa Krzhizhanovskogo, Moscow. According to Director Gvishiani, the institute will examine complex and long-range problems concerned with management of the economy. Gvishiani has privately indicated that the institute has been given a "vague name" so that it will be free to undertake tasks in a variety of disciplines. He emphasized that it would not only study economic and managerial problems but would also assist in their actual solutions, possibly in the role of consultant to the responsible ministries and/or institutes.

A crafty bureaucrat, Gvishiani is not likely to confront the old-line economic planners with revolutionary proposals. Instead, he will probably attempt to introduce reforms in areas where the past performance of the industrial ministries has been least satisfactory, such as environmental protection, quality control, and labor

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productivity. These interdisciplinary long-range problems, because they cut across ministerial boundaries and range beyond the scope of 5-year plans, are particularly suitable for analysis by the Institute of Systems Research.

Impressive Staff

Gvishiani has assembled a staff of ambitious, flexible managers who can relieve him of the day-to-day administrative duties of the institute. Deputy Director Bentsion Milner, a leading Soviet authority on Western management, was previously the chief of a department in the Institute of the USA and Canada. He is responsible for management science and will supervise studies of organizational theory, planning and control, and decision-making techniques.

Stanislav Yemelyanov, former deputy director of the Institute for Control Problems (ICP), is in charge of computer control systems, artificial intelligence, pattern recognition, and methodological problems of systems analysis. Stanislav Shatalin directs the department for social and economic development. He is a well-known econometrician and former deputy director of the liberal Central Economic-Mathematics Institute. His department studies the macro-economic aspects of the Soviet system, such as manpower, health care, and urban planning. A fourth deputy director, who will supervise research on regional development, has not yet been chosen.

Gvishiani and his deputies have filled about two thirds of the projected 300 professional positions by recruiting prominent scientists from such organizations as the ICP and the Central Economic-Mathematics Institute. Gvishiani has also been attempting to recruit the ICP's Vadim Utkin, who shared a Lenin Prize in 1972 with Yemelyanov for work on variable structure theory.

Dangers from Within and Without

The topflight quality of Gvishiani's three assistants gives them a self-confidence and self-esteem that could create serious problems for him. At least two of them, Shatalin and Milner, have each indicated privately

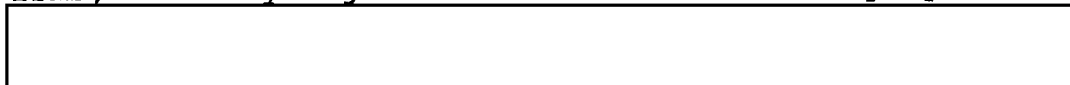
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an expectation of becoming Gvishiani's principal assistant in charge of the daily operations at the institute. Yemelyanov, not to be discounted, was the de facto head of the large and prestigious ICP during 1967-76, and he was thought to be a future contender for the ICP directorship. If these strong managers cannot work harmoniously, the institute may get off to a shaky start.

The institute may also be subject to external pressures. Despite backing by many top Soviet leaders, Gvishiani may be unable to achieve reforms because of opposition from party ideologues and from more traditional economic planners entrenched in the government bureaucracy. In addition, the interdisciplinary nature of the institute's research makes it likely that Gvishiani will meet resistance from other Soviet institute heads who may resent his incursions into their bailiwicks.

If the institute staff succeeds in convincing Soviet decisionmakers to adopt Western management techniques and a systems approach to planning, the staff will still need to deal with the fundamental Soviet lack of experience in applying integrated concepts to economic and social mechanisms. Once the decision to adopt the reforms has been made, Soviet managers, unskilled in the new techniques proposed by the institute, may not achieve economic results comparable to those achieved in the West, may become disenchanted with "new-fangled Westernisms," and may reject the institute and its proposals.



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Sino-Soviet Competition in Africa

The Soviet Union and the People's Republic of China are competing for influence in Africa by providing military, economic, and political support to selected African governments and by attacking each other openly.

The Soviet Union's greater resources permit it to provide more military and economic assistance to African countries than the PRC. In 1976, Soviet economic assistance to Africa, excluding Egypt, was five and a half times that provided by China. Soviet military assistance for the same year was nine times that of the Chinese.

The Soviets are able to provide not only small arms and ammunition, which the Chinese can also make available, but also more sophisticated equipment, such as fighter and transport aircraft, tanks, missiles, and naval vessels. Frequently, these types of equipment are extremely attractive to African states, even when they have limited use for them. The ability of the Chinese to provide such equipment is limited, deliveries are smaller, and the equipment less advanced.

The Soviets gain several advantages from the supply of advanced equipment. In order to instruct indigenous military personnel in the operation and maintenance of sophisticated weapons, the Soviets provide military advisers to the African countries or transport African cadres to the Soviet Union. Since the military is a major political and social force in many African states, the Soviets are thus in immediate contact with potentially influential members of African societies. In

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The Soviets gain another advantage by providing sophisticated weapons to African countries. By discontinuing or simply slowing down supplies of spare parts, Moscow can apply political pressure. In a sense, the states which rely heavily on the Soviets for their military supplies become a hostage of the supply system. Military replacement parts from non-Soviet sources are frequently not available. When they can be obtained in the West, they may be so expensive that an African state has neither the hard currency nor the credit to acquire them. In some cases, the Chinese can provide replacements for small arms and ammunition. But this type of Chinese assistance may be viewed as having only limited value when an African state considers that its air force may literally have to stop flying if it offends Moscow.

Egypt and Sudan, however, have proved that it is possible for an African state to dilute or even sever its Soviet connections in spite of extensive Soviet influence based upon the supply of weapons. The same states also serve as examples of the difficulties that may arise when a country decides to lessen its dependence on the Soviets. These difficulties would be compounded for a state that lacked strategic importance or did not have religious and cultural affinities with other wealthier states.

The Soviets and the Chinese also use economic aid to increase their influence in Africa. From 1954 through 1976, the Soviets extended approximately \$1.9 billion in credits and grants to Africa, excluding Egypt, while the Chinese extended approximately \$2.2 billion. In 1976, as noted above, the Soviets exceeded the Chinese in this type of assistance by a ratio of five and a half to one, but these figures indicate that over the long term the amounts of economic aid extended by the two countries have been roughly comparable. Both countries have also provided economic technicians to African countries. In 1977, there were more than 17,900 Chinese economic technicians in Africa, over 6,000 of whom were working in Zambia and Tanzania on the Tanzam railroad. The Soviets had over 6,600 technicians in Africa in the same year.

The Chinese have recently reassessed their economic aid policy toward Africa and have apparently determined that it has not been as successful as they would have liked. They have apparently decided that in the future

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they will be less inclined to extend aid to an African country unless the recipient is willing to provide some concrete indication of its desire to oppose or limit Soviet interests. The recent visits of Sudanese President Numayri and Somali Vice President Abokar demonstrate Peking's effort to take advantage of Soviet embarrassments. Numayri's visit illustrates China's use of political, military, and economic factors in courting African governments.

Tying economic aid to the recipient's attitude toward the Soviet Union is indicative of the fierce political competition between China and the Soviet Union in Africa. In the past, each country has provided support and assistance to African forces which the other opposed. Events in Angola are the most obvious example of this type of Soviet-Chinese competition. The Soviets supplied and supported the victorious Popular Movement for the Liberation of Angola headed by Agostinho Neto, while the Chinese called for a unity government, but had better relations with Holden Roberto's National Front for the Liberation of Angola. In Mozambique, prior to independence, the Chinese offered more support to anti-Portuguese forces than did the Soviets, only to find themselves eclipsed by the Soviets once independence was achieved.

Rhodesia serves as another example. Although both China and the USSR ostensibly provide support to the Rhodesian "liberation" movements through the Organization of African Unity, they actually support different groups. The Soviets assist Joshua Nkomo's Zimbabwe African Peoples Union, while the Chinese support the Zimbabwe African National Union faction of Robert Mugabe. The two groups are nominally allied as the Patriotic Front. The cooperation of both these groups is uneasy at best, and their alliance has been achieved largely at the insistence of four of the front-line states (Zambia, Tanzania, Mozambique, and Botswana). The publicity given by the Chinese to Mugabe's anti-Soviet remarks during his recent visit to Peking indicates that, even while supporting the Patriotic Front framework, China will continue its attempts to discredit the Soviet Union.

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Sino-Soviet Polemics Over Africa

The public hostility displayed daily between the USSR and China will continue to be reflected in Africa. The reduction of the level of Soviet polemical attacks on China, which followed the death of Mao Tse-tung, has come to an end. An authoritative *Pravda* article on May 14 and a Soviet diplomatic note on May 19 to the Chinese, indicate that the Soviets are returning to a more strident anti-China line. The Chinese continue to reciprocate vehemently, most notably in a recent *Red Flag* article of July 7.

In these polemics, the Soviets accuse the Chinese of teaming up with "imperialism" in Africa. They assert that China is making overtures to "reactionary" elements to undermine "progressive" forces and of trying to turn "the zone of national liberation" into an exclusive Chinese sphere of influence. They also charge that China is opposing attempts to achieve peace, aggravating international tension, and preaching the inevitability of worldwide military conflict. The campaign against China is also conducted by giving publicity to anti-China statements made in Africa and the rest of the world. In this context, the Soviets will republish charges from third world countries accusing the Chinese of opposing the liberation of Angola, having great power ambitions in Africa, and engaging in economic practices which hinder third-world economic development. The Soviets accuse China of having a voting policy in the UN which coincides with the positions taken by "imperialist" powers.

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For their part, the Chinese accuse the Soviets of trying to establish hegemony in Africa. They assert that the Soviets are systematically attempting to subjugate all of Africa, using its northern littoral to outflank Europe and control the Mediterranean, and the east and west coasts to threaten world fuel supply lines. The Chinese place the blame for the invasion of Zaire directly on the Soviets and cited it as an example of Soviet neo-colonialism through the use of surrogates.

The Chinese have used their "second-world" theoretical innovation to explain events in Africa. This theory permits them to argue that the combined French, Moroccan,

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and Egyptian aid given to the "third-world" country of Zaire represents a laudable example of more developed "second-world" countries assisting the third world in opposing super-power, in this case Soviet, ambitions in Africa. In this instance, Peking used this theory to justify intervention not only by a conservative African state, Morocco, but also by a European former colonial power, solely because the Chinese saw such intervention as opposing Soviet interests.

It can be expected that the mutual antagonism and competition of the USSR and China will continue in Africa. Each party will continue to support forces opposed to the other, and will continue public and covert efforts to vilify and weaken the other. The Soviets will continue to have an advantage in their ability to provide greater amounts of military and economic assistance in a shorter period of time than the Chinese. China will continue its efforts to support forces and coalitions hostile to the Soviets and to try to take advantage of and exacerbate Soviet mistakes. [REDACTED]

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